

Workforce News



A quarterly publication of the Department of Workforce Services: issued March 2009

Central: Juab, Millard, Piute, Sanpete, Sevier, Wayne

jobs.utah.gov



Has your County Joined the National Recession?



Inside:

- › **Juab:** Construction jobs down
- › **Millard:** Jobs down slightly
- › **Piute:** Losses moderate
- › **Sanpete:** Employment still up
- › **Sevier:** Holding steady
- › **Wayne:** Jobs hold on



Contact the author, your regional economist, with any questions on content:

Lecia Parks Langston
435-688-3115
lecialangston@utah.gov

Harry Truman once said, "It's a recession when your neighbor loses his job; it's a depression when you lose yours." That's not a terribly precise measure. And, in fact, there is no clear-cut measure of recession. Nationally, the National Bureau of Economic Research (NBER) is considered the official arbiter of recessions, but has no fixed formula. And, despite what you read in the financial press, two consecutive quarters of declining Gross Domestic Product (GDP) does not a recession make. The NBER recently marked the beginning of the current U.S. recession as December 2007 and the U.S. has yet to see two consecutive quarters of declining real GDP.

(continued)

Subscribe to this newsletter and other information: go to <http://jobs.utah.gov/wi>, then click on "sign up" in third box

National Recession? (continued)

For counties, figuring out if you're part of the recession becomes even more problematic. Little data is available and gross product is estimated on an experimental and untimely basis and only for very large counties.

The "Not-So-Secret" Formula

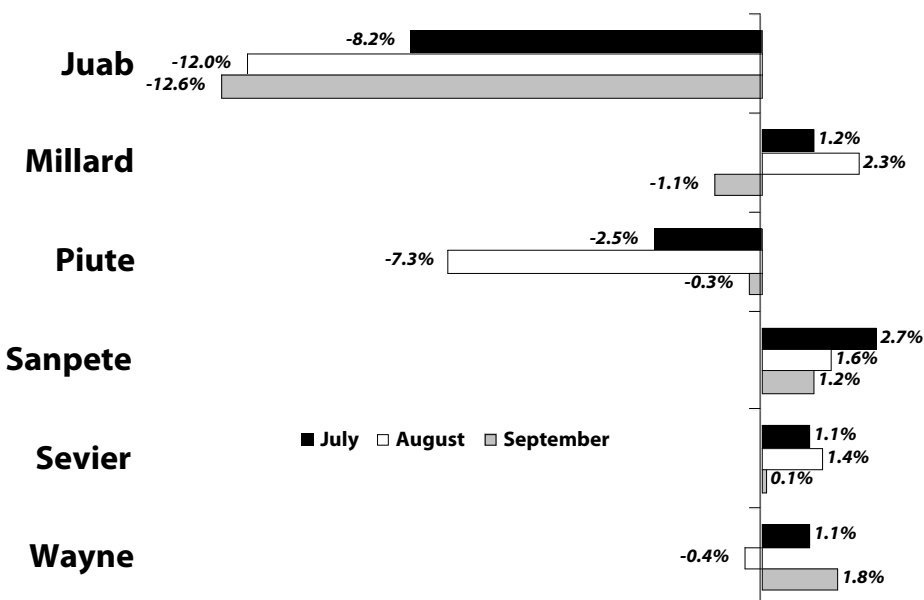
However, tracking monthly year-over percent changes in U.S. non-farm payroll jobs and past recessionary periods in the post WWII era clearly shows that when the rate of year-over job growth trends downward and eventually leads to job loss, we're in a recession—always. A "year-over" percent change merely equals the percent change between one month's employment and the same month a year earlier.

Fortunately, this data is available on the county level. Unfortunately, it takes time to collect, tabulate, and examine this data. In addition, small counties may show rather erratic job growth patterns. However, in my opinion, the year-over percent change in nonfarm jobs still provides the best indicator of expansion and recession.

Has Your County Joined the Recession?

What does the data suggest for your county? The chart that accompanies this article shows the year-over change in nonfarm jobs for the third

Year-Over Change in Nonfarm Jobs, 2007-2008



Source: Utah Department of Workforce Services.

quarter of 2008—the most current data available.

While no counties in this area are living the economic high life, both Sanpete and Sevier counties have so far evaded job loss and full-blown recession. And, while Millard and Wayne counties displayed both year-over job losses and job gains in the third quarter, this is a fairly common pattern for both counties regardless of the state or national economy. Both these counties managed two months of employment gains and only one month of job loss.

Job losses predominated in Piute County, but this is a small county

and the loss of only a few jobs makes a percent-change impact. On the other hand, Juab County employment losses are large and expanding. However, these numbers are not necessarily indicative of recession. The completion of the first phase of the power plant in Mona is responsible for much of the employment loss rather than an overall economic downturn. **WFN**

For more information about your county:
<http://jobs.utah.gov/countyinfo>

County News

Juab County

In Juab County, recessionary pressures added to the job losses resulting from the completion of the power plant in Mona. Juab County employment totals even lower during the third quarter of 2008. Between September 2007 and September 2008, Juab County lost 480 jobs for a 13-percent decline.

A general slowdown in building activity bumped up employment declines associated with completion of the first phase of the power plant to produce a 42-percent year-over decrease in construction industry jobs. Other industries joined the job-loss band wagon. Mining, trade, professional/business services, and leisure/hospitality services all suffered employment contraction. On the other hand, Juab County's manufacturing, financial activities, and health/social services industries did create new positions.

Juab County continues to display declines in both construction permitting (down 58 percent for the first 11 months of 2008) and gross taxable sales (down 9 percent for third quarter 2008).

Millard County

Monthly figures for the third quarter of 2008 show Millard County vacillating between job growth and job loss. However, despite its final negative showing (down 1.1 percent for September 2008), the county's overall job output in third quarter proved positive—up 31 positions. Moreover, the inclusion of covered agricultural positions almost pushes even September into the black.

Like most counties, Millard County experienced employment decreases in construction. However, construction losses were mild and were matched or exceeded by losses in wholesale trade, other services and local government. Retail trade added a substantial number of new positions. And while the most recent indicators for both construc-

tion activity and sales are down, the declines are small compared to most other counties.

Piute County

While Piute County continued to lose employment during the third quarter of 2008, the losses definitely showed a moderating trend. In fact, between September 2007 and September 2008, the county's nonfarm job totals remained virtually unchanged.

But, the devil is in the details. Like most counties, Piute County's construction employment dipped somewhat. However, employment gains in trade and government were enough to almost counteract any losses.

Sanpete County

For many years, Sanpete County struggled to maintain employment growth. However, for the past several years, the county has outpaced many of its peers when it comes to employment expansion. In the third quarter of 2008, Sanpete County managed to hold on to that growth trend. However, the level of expansion certainly declined. Between September 2007 and September 2008, employment increased only 1.2 percent for a gain of approximately 100 jobs.

Here too, recessionary pressures resulted in construction and manufacturing employment contraction. In addition, transportation, and other services employment declined. Fortunately, wholesale trade, retail trade, professional/business services, private education/health/social services and the public sector stepped up to the job creation plate.

Sanpete County has experienced slower construction permitting activity—total values are down 16 percent for the first 11 months of the year. However, declines are not as monumental as the collapses experienced in other parts of the state. And, while third quarter 2008 sales are down, the decline proved minor.

continued

Sevier County

Sevier County just barely managed to hold on to employment expansion during the third quarter of 2008. In fact, by September 2008, employment totals remained virtually unchanged from the same month a year ago. The common theme rang true in Sevier County—both construction and manufacturing showed employment losses. In addition, retail trade, transportation, and other services joined the job-losing crowd. On the other hand, gains in mining, professional/business services, healthcare/social services and leisure/hospitality services managed to offset the losses.

While Sevier County experienced a sharp decline in nonresidential construction permit values, the number of homes permitted dropped only 12-percent for the first 11 months of 2008. That's an almost unheard of performance in a state where total home permits dropped by half.

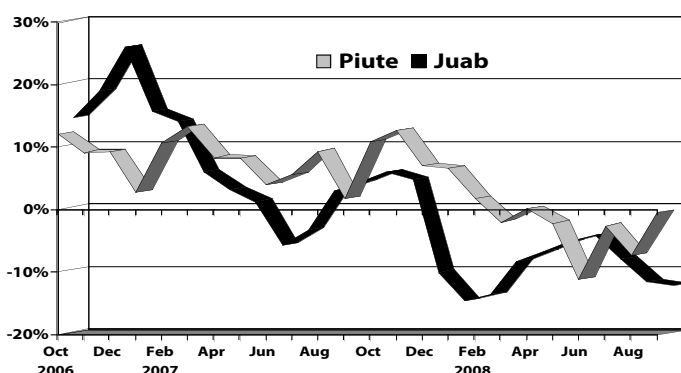
Wayne County

During the third quarter of 2008, Wayne County fluctuated between employment loss and employment gain. Employment gain won out—but, just barely. Between September 2007 and September 2008, the county added roughly 20 new jobs for a growth rate of almost 2 percent. Not fabulous job growth, but better than the national alternative—job losses.

As in a majority of Utah counties, construction employment dropped. However, in Wayne County the largest job declines occurred in private educational services. Wayne County seemed to benefit from increased tourism due to a weak dollar, with a double-digit employment gain in leisure/hospitality services. In addition, manufacturing and government also added to the employment pot.

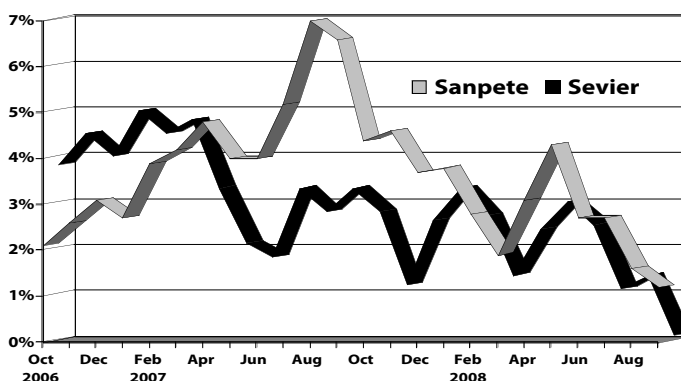
Wayne is one of the few counties in Utah to see an increase in permitted construction values. A surge in non-residential building takes the credit for this gain; residential permits are down here as elsewhere. **WFN**

Juab and Piute County Year-Over Change in Nonfarm Jobs



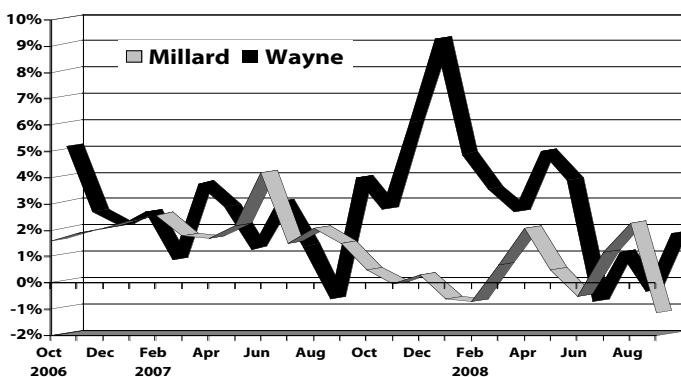
Source: Utah Department of Workforce Services.

Sanpete and Sevier County Year-Over Change in Nonfarm Jobs



Source: Utah Department of Workforce Services.

Millard and Wayne County Year-Over Change in Nonfarm Jobs



Source: Utah Department of Workforce Services.

Quick Facts

November 2008-Rate and Percentage Point Change from Previous Year.

Unadjusted Unemployment Rate

	Rate	Change
Juab County	5.5%	2.0
Millard County	3.3%	0.7
Piute County	2.6%	0.0
Sanpete County	3.9%	0.5
Sevier County	4.2%	1.3
Wayne County	6.1%	1.8
Utah	3.7%	0.9
U.S.	6.7%	2.0

September 2008 Change from Previous Year

Job Growth

Juab County	-12.6%
Millard County	-1.1%
Piute County	-0.3%
Sanpete County	1.2%
Sevier County	0.1%
Wayne County	1.8%
Utah	-0.1%
U.S.	-0.5%

January-November 2008 Change from Previous Year

Permitted Construction Values

Juab County	-57.5%
Millard County	-14.1%
Sanpete County	-16.1%
Sevier County	-43.4%
Wayne County	3.4%
Utah	-37.3%

3rd Quarter 2008 Change from Previous Year

Sales

Juab County	-8.9%
Millard County	-2.2%
Piute County	-7.5%
Sanpete County	-3.9%
Sevier County	-8.2%
Wayne County	3.4%
Utah	-6.6%

Source: Utah Dept of Workforce Services,
Bureau of Labor Statistics,
Utah Tax Commission,
Bureau of Econ & Business Research.

What's Up?

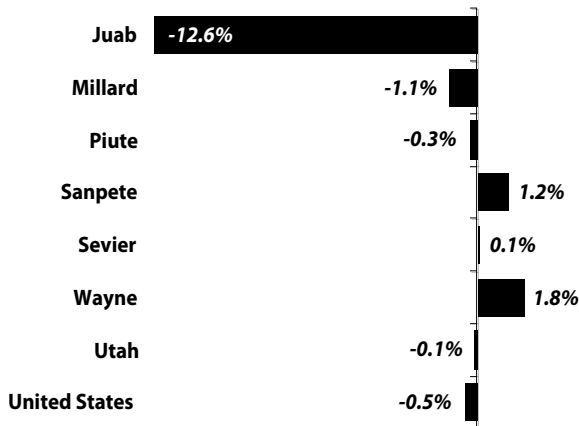
First Wind, an independent wind power company, hosted a groundbreaking ceremony on November 14 at its site near the Millard/Beaver County line. The Milford Wind Corridor Project will generate up to 203 megawatts of clean energy upon its completion, making it one of the largest renewable energy facilities in Utah and the largest wind energy farm in the state. It will feature 97 wind turbines. Construction of this project is expected to be completed by the end of 2009.

—Millard County Progress

Turkey growers are restocking their farms with young birds as the Moroni cooperative gears up to open its main processing plant by March, ending a three-month shutdown. Three years ago, the plant began a year-round schedule. Previously it had operated for just nine months. Last fall, high corn prices and transportation costs forced the cooperative to idle 400 of its 675-member workforce for three months.

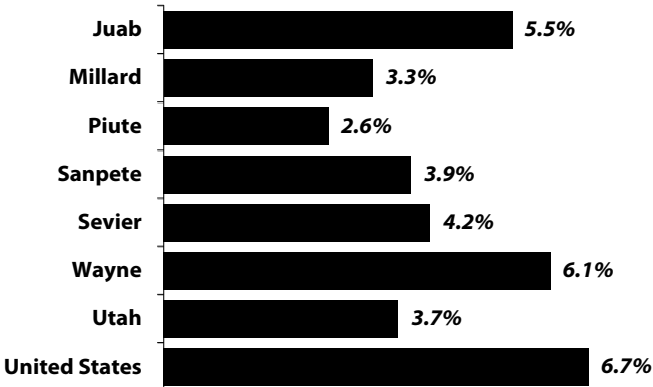
—The Salt Lake Tribune

Percent Change in Nonfarm Jobs
September 2007 to September 2008



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Seasonally Adjusted Unemployment Rates
November 2008



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

03-51C-0309